



**Hundredth Legislature - First Session - 2007
Committee Statement
LB 517**

Hearing Date: January 30, 2007
Committee On: Urban Affairs

Introducer(s): (Erdman)

Title: Provide for the consolidation of one or more cities of the first class

Roll Call Vote – Final Committee Action:

Advanced to General File

Advanced to General File with Amendments

X Indefinitely Postponed

Vote Results:

6	Yes	Senator Friend, Cornett, Janssen, Lathrop, McGill, Rogert
0	No	
0	Present, not voting	
1	Absent	Senator White

Proponents:

Senator Phil Erdman
Craig Erdman

Representing:

Introducer
Self (Read into record by Sen. Erdman)

Opponents:

None

Representing:

Neutral:

Lynn Rex

Representing:

League of NE Municipalities

Summary of purpose and/or changes: History: This legislation is based upon the statutes governing the consolidation of counties (Section 22-401 to section 22-418). These statutes were in part initially adopted in 1933 with major revisions in 1951. The most recent revisions (those included in LB 1085 in 1996) made major changes throughout the statutes and reflected the changes made that year by the Legislature regarding levy limits and cooperative agreements.

Provisions: This legislation proposes a general statutory process for two or more first class cities that are “adjacent” (i.e. that share a common boundary) to (1) consolidate (formally merge into a single city), (2) consolidate one or more elective or appointed city offices, or (3) provide for the joint performance of any common function or service (**Section 1** of the bill).

The city councils of the two cities may enter into a “consolidation agreement” for the purpose of accomplishing any one of those three purposes (although the consolidation agreement is expressly stated not to be an agreement under the terms of the Interlocal Cooperation Act) (**Section 2** of the bill). Proposed subdivisions (2) (regarding full merger) and (3) (regarding consolidation of functions or offices) of this section set out the various elements that must be included in the consolidation agreement. This section also authorizes the establishment of an advisory committee of three members in each of the consolidating cities.

Section 3 requires publication of consolidation agreement and public hearings on the proposals in each of the cities.

The consolidation agreements must be approved by a majority of the members of each city council (**Section 4**) and the proposal must then be submitted to the voters of each city for approval (**Section 5** and **Section 6**). If the proposal is one for the joint performance of a common function or service, the agreement becomes effective on the date specified in the agreement (**Section 6(2)**).

A consolidation agreement may be initiated by a petition of ten percent of the registered voters of each city (**Section 7**). The city councils must make good faith efforts to develop the agreement within six months (upon pain of being removed from office). If good faith efforts fail, the petition is no longer valid within six months of the date of filing.

Section 8 sets out requirements for the publication of the final agreement and ballot language prior to the election on the proposals.

Section 9 sets out the form for the ballot language in each type of proposal. It authorizes the question to be considered at a general or special election, with the caveat that the special election must be held on the same date in each city. The election is to be conducted in accordance with the Election Act. If voters in both cities approve, the full merger or merger of specified offices takes effect on the first Thursday after the first Tuesday in January following the next general election in which one or more consolidated city officers are first elected (upon which date the terms of incumbents are deemed to end).

Section 10 provides that on or before September 10 of the year preceding the effective date of a consolidation agreement, the city councils certify proposed levies to the county clerk or amounts necessary to be raised by taxation. It also sets out additional budget and taxation requirements according to the nature of consolidation agreement.

Prior to any election mandated by the consolidation agreement in which joint officers are elected, the city councils are to meet to adjust election district boundaries as necessary (**Section 11**).

Consolidated city officers are elected at the next general election to be held after the election at which consolidation is approved by the voters. The term of these officers is as set out in the consolidation agreement. Additionally, appointive city officers are appointed as provided in the agreement (**Section 12**).

Section 13 sets out in some detail the various legal consequences resulting from a full merger or consolidation of the cities (including names, electoral boundaries, combination of real or personal property, law suits pending, etc.).

Section 14 establishes how the salary is set for consolidated offices and how the salary is paid.

Section 15 specifies how candidates for consolidated offices would run for office (the nomination and primary process).

Section 16 sets out the process whereby any one city which is part of consolidation agreement regarding offices or functions may withdraw from the consolidation.

Section 17 authorizes joint meetings of city councils for the purposes of the act.

Technical Comments: While the act is basically sound, there are a number of elements which require clarification or amplification.

In the interests of avoiding the obvious, I would defer further comments on potential amendments pending the hearing and executive session discussion.

Explanation of amendments, if any: None

Senator Mike Friend, Chairperson